

COUNTY OF EDGEFIELD
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

COUNTY OF EDGEFIELD
EDGEFIELD, SOUTH CAROLINA

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COUNTY ADMINISTRATOR

WAYNE ADAMS

**COUNTY OF EDGEFIELD
EDGEFIELD, SOUTH CAROLINA**

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Edgefield County Council
Edgefield, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of County of Edgefield, South Carolina as of and for the year then ended June 30, 2003, which collectively comprise the County's basic financial statements of the County's primary government, as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements referred to above include only the primary government of the County of Edgefield, South Carolina, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the County's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the County of Edgefield, South Carolina as of June 30, 2003, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information for the primary government of County of Edgefield, as of June 30, 2003 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 14 to the financial statements, the County changed its accounting policy related to financial presentation to comply with the provisions of Governmental Accounting Standards Board Statements No. 34, 35, 37 and 38 effective July 1, 2002.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 22, 2003 on our consideration of County of Edgefield's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison information, as listed in the Table of Contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information as listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying supplementary information, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in dark ink, reading "E. Scott Davis, LLC". The signature is written in a cursive, flowing style. The letters are dark and the background is a light, slightly textured surface.

October 22, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of County of Edgefield's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2003. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at June 30, 2003 by \$14.9 million (net assets). Of this amount \$7.9 million (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The County issued \$300 thousand in general obligation bonds and entered into \$235 thousand in capital lease obligations during the year. In addition, they repaid \$372 thousand of bond and capital lease payables during the year.
- The County's total net assets remained virtually unchanged over the course of this year's operations. However, while net assets of our business-type activities increased \$233 thousand, this was offset by a decrease of \$129 thousand in the net assets of our governmental activities.
- During the year, the County's general fund balance was decreased \$46 thousand.
- In the County's business-type activities, revenues increased 15 percent or \$148 thousand while operating expenses decreased 10 percent or \$146 thousand.
- The general fund actual revenues were \$169 thousand less than budgeted. However, general fund expenditures were \$573 thousand less than budgeted.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the County government, reporting the County's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like public safety were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*, such as the landfill.
 - *Fiduciary fund* statements provide information about resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which are added together and presented in single columns in the basic financial statements.

Figure A-1 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1
Major Features of County of Edgefield's Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except Fiduciary funds) and the County's component units	The activities of the County that are not proprietary or fiduciary, such as police, fire, and parks	Activities the County operates similar to private businesses: the landfill.	Instances in which the County is the agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses, and changes in net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All agency assets and liabilities, both short-term and long-term
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's *net assets* and how they have changed. Net assets - the difference between the County's assets and liabilities - is one way to measure the County's financial health, or *position*.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of the County's roads.

The government-wide financial statements of the County are divided into two categories:

- *Governmental activities* - Most of the County's basic services are included here, such as the police, fire, public works, and parks departments, and general administration. Property taxes and state and federal grants finance most of these activities.

- *Business-type activities* - The County charges fees to customers to help it cover the costs of certain services it provides. The County's landfill is included here.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the County's most significant *funds* - not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The County Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has three kinds of funds:

- *Governmental funds* - Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* - Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.
 - In fact, the County's *enterprise fund* (one type of proprietary fund) is the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* - The County acts as agent, or *fiduciary*, for other entities resources. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net assets

The County's *combined* net assets were virtually unchanged between fiscal years 2002 and 2003 - remaining at approximately \$14.9 million. (See Table A-1.) Looking at the net assets and net expenses of governmental and business-type activities separately, however, two very different stories emerge.

Table A-1
County of Edgefield's Net Assets
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2002	2003	2002	2003	2002	2003	2002-2003
Current and other assets	\$ 7,492	\$ 7,658	\$ 696	\$ 806	\$ 8,188	\$ 8,464	3%
Capital assets	<u>9,118</u>	<u>8,792</u>	<u>653</u>	<u>576</u>	<u>9,771</u>	<u>9,368</u>	(4)%
Total assets	<u>16,610</u>	<u>16,450</u>	<u>1,349</u>	<u>1,382</u>	<u>17,959</u>	<u>17,832</u>	(1)%
Long-term debt outstanding	1,955	2,117	324	251	2,279	2,368	4%
Other liabilities	<u>587</u>	<u>394</u>	<u>251</u>	<u>124</u>	<u>838</u>	<u>518</u>	(38)%
Total liabilities	<u>2,542</u>	<u>2,511</u>	<u>575</u>	<u>375</u>	<u>3,117</u>	<u>2,886</u>	(7)%
Net assets							
Invested in capital assets, net of related debt	7,163	6,674	330	325	7,493	6,999	(7)%
Restricted	199	93	-	-	199	93	(53)%
Unrestricted	<u>6,706</u>	<u>7,172</u>	<u>444</u>	<u>682</u>	<u>7,150</u>	<u>7,854</u>	10%
Total net assets	<u>\$ 14,068</u>	<u>\$ 13,939</u>	<u>\$ 774</u>	<u>\$ 1,007</u>	<u>\$ 14,842</u>	<u>\$ 14,946</u>	1%

Net assets of our business-type activities increased by 30 percent to \$1 million. This is primarily the result of the landfill funds revenues exceeding its expenses by \$233 thousand for the current year. Although the net assets of our governmental activities decreased \$129 thousand or 1 percent.

Changes in net assets. The County's total revenues decreased by 4 percent to \$10.3 million. (See Table A-2.) Thirty-seven percent of the County's revenue comes from property taxes. Approximately 30 percent comes from fees charged for services, and 29.5 percent is from state and federal aid.

The total cost of all programs and services decreased approximately \$317 thousand or 3 percent. The County's expenses cover a range of services, with about 24 percent related to public safety.

Table A-2 and the narrative that follows consider the operations of governmental and business-type activities separately.

GOVERNMENTAL ACTIVITIES

Revenues for the County's governmental activities decreased 6 percent, while total expenses decreased only 2 percent.

Table A-2
Changes in County of Edgefield's Net Assets
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2002	2003	2002	2003	2002	2003	2002-2003
Revenues							
Program revenues							
Charges for services	\$ 1,764	\$ 1,984	\$ 962	\$ 1,110	\$ 2,726	\$ 3,094	13%
Grants	2,296	1,607	-	-	2,296	1,607	(30)%
State grants and entitlements	1,508	1,442	-	-	1,508	1,442	(4)%
General revenues							
Property taxes	3,815	3,818	-	-	3,815	3,818	-
Other taxes	160	84	-	-	160	84	(48)%
Other	<u>238</u>	<u>238</u>	<u>14</u>	<u>14</u>	<u>252</u>	<u>252</u>	-
Total revenues	9,781	9,173	976	1,124	10,757	10,297	(4)%

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2002	2003	2002	2003	2002	2003	2002-2003
Expenses							
General government	379	390	-	-	379	390	3%
Staff agencies	1,035	1,094	-	-	1,035	1,094	(6)%
Finance agencies	479	522	-	-	479	522	9%
Building maintenance	170	186	-	-	170	186	9%
Public safety	1,928	2,447	-	-	1,928	2,447	27%
Public works	3,044	1,550	-	-	3,044	1,550	(49)%
Health and social services	136	450	-	-	136	450	230%
Nondepartmental	1,082	1,421	-	-	1,082	1,421	31%
Interest on long-term debt	96	87	-	-	96	87	(9)%
Landfill	-	-	1,376	1,222	1,376	1,222	(11)%
Depreciation	700	731	84	92	784	823	5%
Total expenses	9,049	8,878	1,460	1,314	10,509	10,192	(3)%
Excess (deficiency) before transfers	732	295	(484)	(190)	248	105	(58)%
Transfers	(414)	(423)	414	423	-	-	-
Increase (decrease) in net assets	\$ 318	\$ (128)	\$ (70)	\$ 233	\$ 248	\$ 105	(58)%

General Fund property tax revenues lagged by approximately \$35 thousand compared to the final budget estimates largely due to the economy. More than half of the County's other revenue sources also fell short of final budget estimates, including interest earned on investments. In addition, grant revenues were lower than expected because of overall state cutbacks.

BUSINESS-TYPE ACTIVITIES

Revenues of the County's business-type activities increased 15 percent to \$1.1 million, while expenses decreased 10 percent to \$1.3 million. (Refer to Table A-2.) Factors contributing to these results included:

- An increase in the user charge rate from \$35 to \$36.
- Increased commercial tonnage.
- Expenses decreased largely due to the establishment of an in house recycling program.
- Other expense reductions were the result of more efficient hauling practices.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$7.4 million, slightly above last year. Included in this year's total change in fund balance, however, is a decrease of \$46 thousand in the County's general fund. The primary reasons for the general fund's decrease mirror those highlighted in the analysis of governmental activities.

General Fund Budgetary Highlights

Actual general fund expenditures were \$573 thousand below budget amounts. This is primarily the result of a delay in some significant capital expenditures.

On the other hand, resources available for appropriation were \$169 thousand below the budgeted amount. As noted earlier:

- Property and other tax collections were less than expected.
- Investment earnings rapidly declined due to the economy.
- Reductions in state funding also affected grant resources available for appropriation.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2003, the County had invested \$16.4 million in a broad range of capital assets. (See Table A-3.) This amount represents a net increase (including additions and deductions) of \$420 thousand, or 2.6 percent, over last year.

Table A-3
County of Edgefield's Capital Assets
(net of depreciation, in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2002	2003	2002	2003	2002	2003	2002-2003
Land	\$ 572	\$ 572	\$ 28	\$ 28	\$ 600	\$ 600	-
Buildings and improvements	6,414	6,414	-	-	6,414	6,414	-
Improvements other than buildings							
Furniture, fixtures and equipment	1,878	2,139	1,432	1,447	3,310	3,586	8%
Infrastructure	5,612	5,756	-	-	5,612	5,756	3%
Accumulated depreciation	(5,358)	(6,089)	(807)	(899)	(6,165)	(6,988)	(13)%
Net	<u>\$ 9,118</u>	<u>\$ 8,792</u>	<u>\$ 653</u>	<u>\$ 576</u>	<u>\$ 9,771</u>	<u>\$ 9,368</u>	(4)%

This year's major capital asset additions included:

- \$144 thousand additions of road systems.
- \$276 thousand additions of equipment.

More detailed information about the County's capital assets is presented in Notes 1 and 4 to the financial statements.

Long-term Debt

At year-end the County had \$2.4 million in bonds and capital lease obligations outstanding - an increase of 4 percent over last year - as shown in Table A-4. More detailed information about the County's long-term liabilities is presented in Note 5 to the financial statements.

The state limits the amount of general obligation debt the County can issue to 8 percent of the assessed value of all taxable property within the County's legal limits. Our outstanding debt is significantly below this limit - which is currently \$4.6 million as reflected in Table 1 of this report.

Table A-4
County of Edgefield's Outstanding Debt
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2002	2003	2002	2003	2002	2003	2002-2003
General obligation bonds	\$ 1,532	\$ 1,659	\$ -	\$ -	\$ 1,532	\$ 1,659	8%
Capital lease obligations	423	459	323	251	746	710	(5)%
Total	<u>\$ 1,955</u>	<u>\$ 2,118</u>	<u>\$ 323</u>	<u>\$ 251</u>	<u>\$ 2,278</u>	<u>\$ 2,369</u>	4%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Unemployment now stands at 4.3 percent, the same as a year ago. This compares favorably with the state's rate of 7.1 percent and the national rate of 6.0 percent.
- Inflationary trends in the region compare favorably to national indices.

These indicators were taken into account when adopting the general fund budget for 2004. Amounts available for appropriation in the general fund budget are flat at nearly \$6.245 million, an increase of \$23 thousand over the final 2003 budget of \$6.222 million.

Budgeted expenditures are expected to rise nearly 3 percent to \$6.794 million over the actual 2003 expenditures of \$6.602 million. The largest increments are increased wages and rising health insurance costs. The County has added no major new programs or initiatives to the 2004 budget.

If these estimates are realized, the County's budgetary general fund balance is expected to increase slightly by the close of 2004.

As for the County's business-type activities, we expect that the 2004 results will also improve based on the following:

- An increase of the user charge rate from \$36 to \$37.
- An increase of the Tire Tipping fee to \$150 ton.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Wayne Adams, Edgefield County Administrator, 215 Jeter Street, Edgefield, South Carolina 29824, or visit the County website at www.edgefieldcounty.sc.gov.

**COUNTY OF EDGEFIELD,
SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2003**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,805,685	\$ 485,448	\$ 5,291,133
Investments	1,924,660	261,400	2,186,060
Receivables:			
Taxes	166,758	-	166,758
Accounts	121,781	59,553	181,334
Other	7,143	-	7,143
Due from other governments	632,210	-	632,210
Capital assets:			
Land	572,643	27,535	600,178
Buildings and improvements	6,414,151	-	6,414,151
Furniture, fixtures, and equipment	2,138,626	1,447,110	3,585,736
Infrastructure assets	5,755,611	-	5,755,611
Less accumulated depreciation	(6,089,176)	(898,964)	(6,988,140)
Total capital assets, net of depreciation	<u>8,791,855</u>	<u>575,681</u>	<u>9,367,536</u>
Total assets	<u>16,450,092</u>	<u>1,382,082</u>	<u>17,832,174</u>
LIABILITIES			
Accounts payable	53,840	124,002	177,842
Compensated absences payable	210,479	-	210,479
Accrued wages and benefits	75,371	-	75,371
Accrued interest payable	25,110	-	25,110
Other liabilities	28,326	-	28,326
Long-term liabilities:			
Due within one year	489,034	86,974	576,008
Due in more than one year	<u>1,628,454</u>	<u>163,699</u>	<u>1,792,153</u>
Total liabilities	<u>2,510,614</u>	<u>374,675</u>	<u>2,885,289</u>
NET ASSETS			
Invested in capital assets net of related debt	6,674,367	325,008	6,999,375
Restricted for:			
Debt service	93,192	-	93,192
Unrestricted	<u>7,171,919</u>	<u>682,399</u>	<u>7,854,318</u>
Total net assets	<u>\$ 13,939,478</u>	<u>\$ 1,007,407</u>	<u>\$ 14,946,885</u>

The accompanying notes are an integral part of these financial statements.

Exhibit 2

COUNTY OF EDGEFIELD, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the year ended June 30, 2003

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities							
General government	\$ 389,524	\$ -	\$ -	\$ -	\$ (389,524)	\$ -	\$ (389,524)
Staff agencies	1,094,251	736,875	-	-	(357,376)	-	(357,376)
Finance agencies	521,681	-	-	-	(521,681)	-	(521,681)
Public safety	2,446,534	217,238	504,178	-	(1,725,118)	-	(1,725,118)
Public works	1,550,003	192,210	970,062	-	(387,731)	-	(387,731)
Health and social services	449,871	-	22,330	-	(427,541)	-	(427,541)
Building maintenance	186,094	-	-	-	(186,094)	-	(186,094)
Nondepartmental	1,421,276	837,553	110,669	-	(473,054)	-	(473,054)
Depreciation expense	731,389	-	-	-	(731,389)	-	(731,389)
Interest and fiscal charges	87,017	-	-	-	(87,017)	-	(87,017)
Total governmental activities	8,877,640	1,983,876	1,607,239	-	(5,286,525)	-	(5,286,525)
Business-type activities							
Landfill	1,314,294	1,110,199	-	-	-	(204,095)	(204,095)
Total business-type activities	1,314,294	1,110,199	-	-	-	(204,095)	(204,095)
Total primary government	<u>\$ 10,191,934</u>	<u>\$ 3,094,075</u>	<u>\$ 1,607,239</u>	<u>\$ -</u>	(5,286,525)	(204,095)	(5,490,620)
GENERAL REVENUES							
Property taxes levied for:							
General purposes					\$ 3,618,638	\$ -	\$ 3,618,638
Debt service					146,152	-	146,152
Special revenue projects					52,660	-	52,660
Accommodations tax					84,020	-	84,020
Interest and investment income					154,613	13,974	168,587
Intergovernmental					1,441,990	-	1,441,990
Miscellaneous					82,265	-	82,265
Transfers					(422,808)	422,808	-
Total general revenues and transfers					5,157,530	436,782	5,594,312
Change in net assets					(128,995)	232,687	103,692
Net assets beginning of year					14,068,473	774,720	14,843,193
Net assets end of year					<u>\$ 13,939,478</u>	<u>\$ 1,007,407</u>	<u>\$ 14,946,885</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003

	<u>General</u>	<u>C Funds</u>	<u>Industrial Park Development Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,768,623	\$ 1,309,610	\$ 379,246	\$ 1,348,206	\$ 4,805,685
Investments	541,516	1,093,544	-	289,600	1,924,660
Due from other funds	94,642	-	-	204,675	299,317
Receivables:					
Taxes	156,949	-	-	9,809	166,758
Accounts	-	-	-	121,781	121,781
Other	3,500	3,643	-	-	7,143
Due from other governments	473,232	70,156	-	30,466	573,854
Total assets	<u>\$ 3,038,462</u>	<u>\$ 2,476,953</u>	<u>\$ 379,246</u>	<u>\$ 2,004,537</u>	<u>\$ 7,899,198</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 4,114	\$ -	\$ -	\$ 49,726	\$ 53,840
Due to other funds	57,373	-	130,543	53,045	240,961
Accrued wages and benefits	75,371	-	-	-	75,371
Deferred revenue - Property taxes	127,700	-	-	8,291	135,991
Other liabilities	28,326	-	-	-	28,326
Total liabilities	292,884	-	130,543	111,062	534,489
FUND BALANCES					
Reserved for:					
Debt service	-	-	-	86,890	86,890
Other	172,222	-	-	-	172,222
Unreserved:					
Designated	376,303	-	-	-	376,303
Undesignated reported in:					
Capital projects funds	-	-	248,703	-	248,703
General fund	2,197,053	-	-	-	2,197,053
Special revenue fund	-	2,476,953	-	1,806,585	4,283,538
Total fund balances	2,745,578	2,476,953	248,703	1,893,475	7,364,709
Total liabilities and fund balances	<u>\$ 3,038,462</u>	<u>\$ 2,476,953</u>	<u>\$ 379,246</u>	<u>\$ 2,004,537</u>	<u>\$ 7,899,198</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2003

Total fund balances - Governmental funds	\$ 7,364,709
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	572,643
Buildings and improvements	6,414,151
Furniture, fixtures, and equipment	2,138,626
Infrastructure assets	5,755,611
Accumulated depreciation	<u>(6,089,176)</u>
Total capital assets	<u>8,791,855</u>
Some revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	
Property taxes	135,991
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
General obligation debt	(1,658,590)
Capital leases payable	(458,898)
Accrued interest	(25,110)
Compensated absences	<u>(210,479)</u>
Total long-term liabilities	<u>(2,353,077)</u>
Net assets of governmental activities	<u>\$ 13,939,478</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2003

	General	C Funds	Industrial Park Development Project	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 3,599,362	\$ -	\$ -	\$ 198,812	\$ 3,798,174
Licenses, permits, and fees	532,243	-	-	-	532,243
Intergovernmental	1,555,277	935,387	-	297,413	2,788,077
Charges for services	23,820	-	-	1,141,968	1,165,788
Fines and forfeits	180,812	-	-	-	180,812
Local funds	-	-	-	450,205	450,205
Interest	79,264	48,793	-	26,556	154,613
Other	82,265	-	-	-	82,265
Total revenues	6,053,043	984,180	-	2,114,954	9,152,177
EXPENDITURES					
General government	386,926	-	-	-	386,926
Staff agencies	1,074,225	-	-	-	1,074,225
Finance agencies	521,681	-	-	-	521,681
Public safety	1,968,390	-	-	883,181	2,851,571
Public works	474,916	679,072	-	594,627	1,748,615
Health and social services	149,871	-	-	300,000	449,871
Building maintenance	186,094	-	-	-	186,094
Nondepartmental	1,266,000	-	-	156,902	1,422,902
Capital outlay	-	-	2,598	-	2,598
Debt service:					
Principal retirement	-	-	-	173,371	173,371
Interest and fiscal charges	-	-	-	108,295	108,295
Total expenditures	6,028,103	679,072	2,598	2,216,376	8,926,149
Excess of revenues over (under) expenditures	24,940	305,108	(2,598)	(101,422)	226,028
Other financing sources (uses):					
Bond proceeds	-	-	-	300,000	300,000
Capital lease proceeds	-	-	-	234,526	234,526
Operating transfers in	116,506	-	164,350	183,828	464,684
Operating transfers out	(187,785)	-	-	(699,707)	(887,492)
Total other financing sources (uses)	(71,279)	-	164,350	18,647	111,718
Net change in fund balances	(46,339)	305,108	161,752	(82,775)	337,746
Fund balances, beginning of year	2,791,917	2,171,845	86,951	1,976,250	7,026,963
Fund balances, end of year	<u>\$ 2,745,578</u>	<u>\$ 2,476,953</u>	<u>\$ 248,703</u>	<u>\$ 1,893,475</u>	<u>\$ 7,364,709</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES
For the year ended June 30, 2003

Net change in fund balances - Total government funds \$ 337,746

Amounts reported for governmental activities in the statement of activities
are different because:

Capital outlays are reported as expenditures in governmental funds.

However, in the statement of activities, the cost of capital assets is
allocated over their estimated useful lives as depreciation expense. In
the current period, these amounts are:

Capital outlay	405,037
Depreciation expense	<u>(731,389)</u>
Excess of capital outlay over (under) depreciation expense	<u>(326,352)</u>

Because some revenue will not be collected for several months after the
County's fiscal year ends, they are not considered "available" revenues and
are deferred in the governmental funds. Deferred property tax revenues
increased by this amount this year.

19,276

Bond and capital lease proceeds provide current financial resources to
governmental funds; however, issuing debt increases long-term liabilities in the
statement of net assets. In the current period, proceeds were received from:

Capital lease proceeds	(234,526)
Bonds issued	<u>(300,000)</u>
	<u>(534,526)</u>

Repayment of long-term debt is reported as an expenditure in governmental
funds. But the repayment reduces long-term liabilities in the
statement of net assets. In the current year, these amounts
consisted of:

Bond principal retirement	173,371
Capital lease payments	<u>198,612</u>
Total long-term debt repayment	<u>371,983</u>

Some expenses reported in the statement of activities do not require the use of
current financial resources and therefore are not reported as expenditures
in governmental funds

(18,400)

In the statement of activities, interest is accrued on outstanding bonds,
whereas in governmental funds, interest is expensed when due.

21,278

Change in net assets of government activities

\$ (128,995)

The accompanying notes are an integral part of these financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
PROPRIETARY FUND
LANDFILL FUND
STATEMENT OF NET ASSETS
JUNE 30, 2003

ASSETS

Cash and cash equivalents	\$ 485,448
Investments	261,400
Accounts receivable	59,553
Capital assets	
Land	27,535
Buildings and improvements	52,812
Furniture, fixrures, and equipment	1,394,298
Accumulated depreciation	<u>(898,964)</u>
Total assets	<u>1,382,082</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	124,002
Lease obligations payable	<u>250,673</u>
Total liabilities	<u>374,675</u>

NET ASSETS

Invested in capital assets, net of related debt	325,008
Unrestricted	<u>682,399</u>
Total net assets	<u>\$ 1,007,407</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
PROPRIETARY FUND
LANDFILL FUND
For the year ended June 30, 2003

OPERATING REVENUES

User charges - Other governments	\$ 467,644
Landfill user charges - Other	<u>642,555</u>
Total operating revenues	<u>1,110,199</u>

OPERATING EXPENSES

Salaries and fringe benefits	275,884
Costs of services	929,317
Depreciation	<u>92,020</u>
Total operating expenses	<u>1,297,221</u>
Operating loss	(187,022)

NONOPERATING REVENUES (EXPENSES)

Interest income	13,974
Interest expense	<u>(17,073)</u>
Net loss before operating transfers	(190,121)

OPERATING TRANSFERS IN

	<u>422,808</u>
Change in net assets	232,687

NET ASSETS, BEGINNING OF YEAR

774,720

NET ASSETS, END OF YEAR

\$ 1,007,407

The accompanying notes are an integral part of these financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
LANDFILL FUND
For the year ended June 30, 2003

NET CASH USED FOR OPERATIONS

Operating loss	\$ (187,022)
Adjustments to reconcile operating loss to net cash used for operations	
Depreciation	92,020
Changes in deferred and accrued amounts	
Accounts receivable	5,478
Accounts payable	<u>(127,413)</u>
Net cash used for operations	<u>(216,937)</u>

NONCAPITAL FINANCING ACTIVITIES

Operating transfers from other funds	<u>422,808</u>
Net cash provided by noncapital financing activities	<u>422,808</u>

INVESTING ACTIVITIES

Purchase of investments	(261,400)
Proceeds from investments maturing	221,013
Interest income	13,974
Interest expense	<u>(17,073)</u>
Net cash used for investing activities	<u>(43,486)</u>

CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of fixed assets	(14,923)
Repayments on lease obligations	<u>(72,466)</u>
Net cash used for capital and related financing activities	<u>(87,389)</u>
Net increase in cash and cash equivalents	74,996

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR410,452**CASH AND CASH EQUIVALENTS, END OF YEAR****\$ 485,448**

The accompanying notes are an integral part of these financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2003

ASSETS

Cash and cash equivalents	\$ 1,511,612
Investments	813,940
Property taxes receivable	551,460
Due from other governments	<u>185,749</u>
Total assets	<u><u>\$ 3,062,761</u></u>

LIABILITIES

Due to other funds	58,356
Deferred revenue	469,911
Due to other taxing districts and agencies	<u>2,534,494</u>
Total liabilities	<u><u>\$ 3,062,761</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Edgefield operates under a council-administrator form of government and provides the following services as authorized by its charter: public safety (police and fire), road maintenance, health and social services, and general administrative services.

The primary government financial statements of the County of Edgefield have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the government's accounting policies are described below.

BASIS OF PRESENTATION

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide financial statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from the statements. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund financial statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General fund

The general operating fund of the County is used to account for all financial resources except those required to be accounted for in another fund. All property taxes, intergovernmental revenue, charges for services, fines and forfeits and miscellaneous revenue are recorded in this fund except amounts which are specifically collected to service debt, construct or acquire major capital facilities or for which the County Treasurer collects taxes and other funds in a fiduciary capacity. Operational expenditures for general government, public safety, public works and other departments of the County are paid through the general fund.

Special revenue funds

Special revenue funds generally account for the expenditure of revenues that have been restricted to specific programs or projects.

Debt service funds

The debt service funds of the County are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Debt service funds of the County are established and maintained in accordance with Acts passed by the General Assembly of South Carolina authorizing the sale of general debt bonds of the County. Bonds and interest for which the Treasurer collects and remits receipts to or on behalf of other governmental units are accounted for as part of the agency funds. The County maintains a separate debt service fund for each of its special assessment bond issues and one debt service fund for all other bond issues of the County.

Capital projects funds

The capital projects funds of the County are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Proceeds of bond issues of the County and other governmental units are maintained by the County Treasurer until such funds are required for their designated purpose. Capital projects for which the Treasurer collects and remits receipts to or on behalf of other governmental units are accounted for as part of the agency funds. The County maintains a separate capital project fund for each project.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods and services. The County maintains one enterprise fund which provides solid waste collection.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the County on behalf of other governmental units. The County's fiduciary funds consist of agency funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

MEASUREMENT FOCUS

Government-wide financial statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the statement of net assets.

Fund financial statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenues - exchange and non-exchange transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes, sales tax, grants, interest, fees and charges for services.

Deferred revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Budget

County Council adopts an annual budget for general fund revenue and expenditures prior to the beginning of each fiscal year. The adopted budget specifies expenditure limits appropriated to each County department. Departmental expenditures may not exceed amounts appropriated without the approval of County Council and unexpended appropriations lapse at fiscal year-end. Budget amounts reflected in the accompanying financial statements represent the adopted budget and any revisions approved by Council during the fiscal year. Line item transfers within operating departments are approved by the County Administrator. The Council approves any additional appropriations and transfers between departments. During the year, the Council made several supplementary budget appropriations, which increased general fund estimated revenues available.

The budget is prepared on a consistent basis of accounting with actual financial statement results, including significant accruals, to provide meaningful comparisons.

Budgets were not prepared for the Special Revenue Funds, Debt Service Funds, or the Capital Projects Funds, as the County uses the bond indentures and other agreements to provide control over expenditures.

The County has an appropriated budget for the enterprise funds but is not required to report budgetary comparisons in the financial statements.

Cash and investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. State statutes authorize the County to invest in:

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Savings and loan associations to the extent that the same are insured by an agency of the federal government;
4. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
5. Repurchase agreements when collateralized by securities as set forth in this section;
6. No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of the County, if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), and (5) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Investments are stated at fair value; except that repurchase agreements and U.S. Government agencies that have a maturity at the time of purchase of one year or less are shown at amortized cost.

The County Treasurer co-mingles cash and time deposits of some of the funds, but separate fund balance accounts are maintained for accounting purposes so that the equity of each fund is properly reflected in the overall cash. Interest earned on co-mingled cash is distributed to funds based on their average fund balances for the fiscal year. The purpose of co-mingling funds is to obtain maximum return of interest through the investment of funds considered temporarily surplus. This practice does not apply to certain funds earmarked for specific purposes, such as the school bond fund.

Intergovernmental receivable

Amounts due from federal grants represent reimbursable costs, which have been incurred by the County but have not been reimbursed by the grantor agency. Costs under grant programs are recognized as expenditures in the period in which they are incurred by the County.

Inventories and prepaid assets

The County has no significant inventories. The cost is recorded as an expenditure at the time individual inventory items are purchased. The County expenses charges that cover more than one year in the year the expenditure is made and does not record any portion as prepaid asset.

Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements.

Use of estimates

The financial statements include estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenditures. Actual results could differ from these estimates.

Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Capital assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of proprietary capital assets is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	15 years
Buildings	30 years
Building improvements	15 years
Vehicles	5 years
Furniture and equipment	3 to 10 years
Machinery and equipment	5 to 10 years

Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Reporting Entity

In accordance with Governmental Accounting Standards Board Statement Number 14, this report includes all funds, account groups, organizations, institutions, agencies, departments and offices that are not legally separate from the County. Legally separate entities, referred to as component units, are not included in this report.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Component unit excluded from the reporting entity

Edgefield County Hospital

The Hospital's Board of Directors selects management staff, establishes budgets, and controls all aspects of the operation of the Hospital. The County does levy and collect property taxes on behalf of the Hospital and disburses such funds as payment on County bond obligations issued for the Hospital.

The County does not hold title to any of the Hospital's assets, nor does it have any right to the Hospital's surpluses.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

At year end, the carrying amount of the County's deposits was \$2,681,761 and the bank balance was \$2,484,134. All of the County's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the County's name. Petty cash funds of \$650 are reflected as cash on the general fund balance sheet.

Investments

Investments are stated at cost and are categorized as either (1) insured or registered for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the government's name or (3) uninsured and unregistered for which the securities are held by the counterparty, or by its trust department or agent but not in the government's name. The investment in the local government investment pool is not subject to risk categorization.

	Categories			Carrying amount	Fair value
	<u>1</u>	<u>2</u>	<u>3</u>		
Repurchase agreements	\$ -	\$ -	\$ 545,000	\$ 545,000	\$ 545,000
Federal Home Loan Bank Bond	-	500,000	-	500,000	500,000
	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 545,000</u>	1,045,000	1,045,000
Investment in South Carolina local government investment pool				6,075,334	6,075,334
Total investments				<u>\$ 7,120,334</u>	<u>\$ 7,120,334</u>

NOTE 3 - PROPERTY TAXES

Property taxes are levied on the assessed value of real and personal property, excluding automobiles, as of December 31 of the calendar year preceding the fiscal year (i.e., taxes collected for the year ended June 30, 2003, were levied on the assessed value as of December 31, 2001). The levy date for automobiles is the first day of the month in which the vehicle license expires and the tax is due by the end of the same month. Liens attach to the property at the time taxes are levied. Taxes are due without penalty, for real and personal property excluding automobiles, through January 15. After that time, penalties are added depending on the date paid as follows:

January 16 through February 1	3% of tax
February 2 through March 16	10% of tax
March 17 and thereafter	15% of tax

(Continued)

NOTE 3 - PROPERTY TAXES, Continued

Property tax revenues are recognized when due or past due and collectible within the current period or soon enough thereafter (defined as sixty days) to pay liabilities of the current period.

The County bills and collects its own property taxes, and also collects taxes for the Rural Fire Districts and the School District. Collections of the County taxes and remittance of them to the Districts are accounted for in the agency funds.

Also, the County collects taxes for surrounding municipalities. The amount collected but not remitted at June 30, 2003 was \$23,876 for surrounding municipalities.

Deferred revenue (property taxes) represents that portion of property taxes which is deemed not available to pay current expenditures. Allowances for uncollectible taxes receivable as of June 30, 2003 were as follows:

General Fund	\$ 3,203
Special Revenue Fund	50
Debt Service Fund	430
Agency Funds	10,875

NOTE 4 - CAPITAL ASSETS

Primary Government capital asset activity for the year ended June 30, 2003 was as follows:

	<u>Restated Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2003</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 572,643	\$ -	\$ -	\$ 572,643
Total capital assets at historical cost not being depreciated	<u>572,643</u>	<u>-</u>	<u>-</u>	<u>572,643</u>
Capital assets being depreciated				
Infrastructure	5,611,616	143,995	-	5,755,611
Building and improvements	6,414,151	-	-	6,414,151
Furniture, fixtures and equipment	<u>1,877,584</u>	<u>261,042</u>	<u>-</u>	<u>2,138,626</u>
Total capital assets at historical cost being depreciated	<u>13,903,351</u>	<u>405,037</u>	<u>-</u>	<u>14,308,388</u>
Less accumulated depreciation for:				
Infrastructure	(2,245,224)	(168,560)	-	(2,413,784)
Buildings, improvements and equipment	<u>(3,112,563)</u>	<u>(562,829)</u>	<u>-</u>	<u>(3,675,392)</u>
Total accumulated depreciation	<u>(5,357,787)</u>	<u>(731,389)</u>	<u>-</u>	<u>(6,089,176)</u>
Total capital assets being depreciated, net	<u>8,545,564</u>	<u>(326,352)</u>	<u>-</u>	<u>8,219,212</u>
Governmental activities capital assets, net	<u>\$ 9,118,207</u>	<u>\$ (326,352)</u>	<u>\$ -</u>	<u>\$ 8,791,855</u>

(Continued)

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS, Continued

Depreciation expense was charged to functions as follows:

General Government	\$	22,768
Staff agencies		58,727
Finance Agencies		29,273
Public Safety		301,542
Public Works		223,865
Health and Social Services		<u>95,214</u>
Total Governmental Activities		
Depreciation Expense	\$	<u><u>731,389</u></u>

	<u>Restated Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2003</u>
Business-type activities				
Capital assets not being depreciated				
Land	\$ 27,535	\$ -	\$ -	\$ 27,535
Capital assets being depreciated				
Buildings and improvements	52,812	-	-	52,812
Furniture, fixtures and equipment	<u>1,379,375</u>	<u>14,923</u>	<u>-</u>	<u>1,394,298</u>
Total capital assets at historical cost being depreciated	<u>1,432,187</u>	<u>14,923</u>	<u>-</u>	<u>1,447,110</u>
Less accumulated depreciation	<u>(806,944)</u>	<u>(92,020)</u>	<u>-</u>	<u>(898,964)</u>
Total capital assets being depreciated, net	<u>625,243</u>	<u>(77,097)</u>	<u>-</u>	<u>548,146</u>
Business-type activities capital assets, net	<u><u>\$ 652,778</u></u>	<u><u>\$ (77,097)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 575,681</u></u>

NOTE 5 - LONG-TERM DEBT

Bonds payable at June 30, 2003 are comprised of the following individual issues:

	<u>Balance June 30, 2002</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2003</u>	<u>Amounts due within one year</u>
General obligation bonds					
\$640,000 1980 Law Enforcement Center bonds due in annual installments of \$37,300 for principal and interest through October 9, 2011, interest at 5%	\$ 206,261	\$ -	\$ 3,571	\$ 202,690	\$ 26,024
\$925,000 1996 Courthouse Restoration bonds due in annual installments of \$113,000 to \$118,000 for principal and interest through February 1, 2006, interest at 5.10%	430,000	-	100,000	330,000	105,000
\$275,000 1996 Communication and Computer equipment bonds due in annual installments of \$41,000 - \$42,000 for principal and interest through February 1, 2004, interest at 5.10%	79,000	-	38,500	40,500	40,500
\$510,000 2000 Industrial Development bonds due in annual installments of \$30,000 - \$89,000 for principal and interest through April 2010, interest at 5.7%	510,000	-	-	510,000	61,000

(Continued)

NOTE 5 - LONG-TERM DEBT, Continued

	<u>Balance June 30, 2002</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2003</u>	<u>Amounts due within one year</u>
\$156,000 2001B Industrial Development bonds due in annual installments of \$20,782 - \$21,980 for principal and interest through April 2010, interest at 5.01%	142,700	-	14,300	128,400	15,300
\$180,000 2001A County Council Chambers Construction bonds due in annual installments of \$24,603 - \$25,011 for principal and interest through April 2010, interest at 5.03%	164,000	-	17,000	147,000	18,000
\$300,000 2002 General Obligation Hospital bonds due in annual installments of \$54,047 - \$56,994 for principal and interest through 2009, interest at 3.95%	-	300,000	-	300,000	-
	<u>\$ 1,531,961</u>	<u>\$ 300,000</u>	<u>\$ 173,371</u>	<u>\$ 1,658,590</u>	<u>\$ 265,824</u>

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2003, including interest payments, are as follows:

<u>Year ending June 30,</u>	<u>General obligation bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 265,824	\$ 81,207	\$ 347,031
2005	283,324	67,195	350,519
2006	294,324	54,108	348,432
2007	186,324	41,946	228,270
2008	195,324	33,778	229,102
2009 - 2011	433,470	61,572	495,042
	<u>\$ 1,658,590</u>	<u>\$ 339,806</u>	<u>\$ 1,998,396</u>

Debt service funds of \$86,890 are available to service the general obligation bonds.

In accordance with the South Carolina Constitution, the County is allowed to incur general obligations (general purpose) bonded indebtedness in an amount not exceeding eight percent of the assessed value of all taxable property of the County.

The general obligation bonds are secured by a pledge of the full faith, credit and taxing power of the County.

Changes in long-term debt

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2003:

	<u>Lease obligations</u>		<u>Estimated long-term liability for annual leave</u>	<u>General obligation bonds</u>
	<u>Enterprise fund</u>	<u>Governmental funds</u>		
Payable at July 1, 2002	\$ 323,139	\$ 422,984	\$ 192,079	\$ 1,531,961
Amounts incurred	-	234,526	36,800	300,000
Amounts retired	(72,466)	(198,612)	(18,400)	(173,371)
Payable at June 30, 2003	<u>\$ 250,673</u>	<u>\$ 458,898</u>	<u>\$ 210,479</u>	<u>\$ 1,658,590</u>

NOTE 6 - INTERFUND ASSETS AND LIABILITIES

The balances of interfund receivables and payables at June 30, 2003 were as follows:

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>
General Fund	\$ 94,642	\$ 57,373
Special Revenue Fund		
School resource officer I	105	8,675
School resource officer II	-	282
Victim's Bill of Rights	58,232	-
Industrial Development	130,543	-
SCCFG Grant	-	10,075
Criminal domestic violence	-	5,391
Solicitor	15,795	17,359
Assistant Solicitor	-	11,263
Capital projects		
Industrial Park Development	-	130,543
Agency Funds		
Clerk of Court	-	12,058
Local Option Sales Tax - Property Tax Fund	-	46,298
	<u>\$ 299,317</u>	<u>\$ 299,317</u>

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds.

NOTE 7 - FUND BALANCE RESERVES

Council authorized the following reserves at June 30, 2003.

Building maintenance reserves

Various reserves have been established to accumulate funds for future major repairs and improvements to the County buildings. Additions to these reserves are at the discretion of the County Council.

Library maintenance reserve

On July 8, 1986, Edgefield County established a reserve for Library maintenance. Additions to the reserve are to be funded by unused budget appropriations, with a ceiling of \$2,000 per year, and a maximum reserve of \$15,000.

Computer system reserve

As of June 30, 2003, Edgefield County established a reserve to purchase additional computer and other equipment. Additions to the reserve are at the discretion of County Council.

Recreation reserves

Various recreation oriented reserves have been established to accumulate funds for community recreation facilities and programs. Additions to these reserves are at the discretion of the County Council.

The balances at June 30, 2003 are as follows:

Building maintenance	\$ 80,500
Library maintenance	14,317
Computer system	15,530
Recreation	<u>61,875</u>
	<u>\$ 172,222</u>

NOTE 8 - EMPLOYEE BENEFITS

Retirement Plan

Substantially all County employees are members of the South Carolina Retirement System, (SCRS) or the Police Officers Retirement System (PORS). These systems are cost-sharing multiple-employer plans administered by the Retirement Division of the State Budget and Control Board. The system provides retirement and disability benefits, cost of living adjustments on an ad hoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the South Carolina Code of Laws. The system issues a publicly available financial report that includes financial statements and required information for the South Carolina Retirement System. That report may be obtained by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 29211-1960.

SCRS Plan members are required to contribute 6% of their annual covered salary and PORS members 6.5% and the County is required to contribute at an actuarially determined rate. The current rate is 7.55% of annual covered payroll for SCRS and 10.3% for PORS. In addition, the County contributes .15% for SCRS and .20% for PORS of payroll to a group life insurance benefit for their participants. The County's contributions to the System for the years ended June 30, 2003, 2002 and 2001 were \$299,109, \$266,745, and \$248,898, respectively. The County's percentage to the statewide was not available.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, which is administered and controlled by the State of South Carolina. The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Johnson & Higgins/Kirke - Van Orsdel, Inc., 400 Locust Street, Des Moines, Iowa, 50306, (under state contract) is the program administrator of the 457 plan as well as the 401k plan, which is also available to County and component unit employees at their option.

The government also provides its employees a Money Plus Spending Account through the state health plan. The plan, available to all government employees, provides for child care, health issues and dental benefits.

Post-employment Health Care Benefits

In addition to providing pension benefits, the County provides certain health care benefits for retired employees through the South Carolina Retirement System. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. Retired participants contribute to the plan by payment of monthly premiums. In addition to monthly premiums paid by retired participants, the County pays a monthly premium on its covered payroll. This expense is recognized monthly as contributions are paid to the South Carolina Retirement System. The expense for the year ended June 30, 2003 can not be reasonably estimated.

NOTE 9 - CONTINGENT LIABILITIES

The County participates in a number of federal and state assisted grant programs. These programs are subject to audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2003, have not yet been conducted. Therefore, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

NOTE 10 - LITIGATION

There are several pending lawsuits in which the County is involved. The County attorney estimates that the potential claims against the County, not covered by insurance, resulting from such litigation, would not materially affect the financial statements of the County.

NOTE 11 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries insurance through the South Carolina Counties Property and Liability Trust. In addition, the County carries employee health and accident insurance through the South Carolina Office of Insurance Services. This South Carolina state health plan represents various South Carolina governmental entities joined together in a public entity risk pool. The County pays premiums to the Fund for its employee health and accident insurance. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event.

The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 12 - CAPITAL LEASES

The County has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of equipment leased under capital leases as of June 30, 2003:

	<u>General fixed assets</u>	<u>Enterprise fund</u>
Machinery and equipment	\$ 738,526	\$ 426,632
Less: Accumulated depreciation	<u>(124,253)</u>	<u>(81,802)</u>
	<u>\$ 614,273</u>	<u>\$ 344,830</u>

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2003:

<u>Fiscal year ending June 30,</u>	<u>General long-term debt</u>	<u>Enterprise fund debt</u>
2004	\$ 234,598	\$ 91,552
2005	145,789	66,664
2006	56,972	66,664
2007	38,955	24,048
2008	<u>9,608</u>	<u>12,907</u>
Total minimum lease payments	485,922	261,835
Less: Amount representing interest	<u>(27,024)</u>	<u>(11,162)</u>
Present value of future minimum lease payments	<u>\$ 458,898</u>	<u>\$ 250,673</u>

Lease obligations are payable from the general and enterprise funds.

NOTE 13 - OTHER COMMITMENTS

The County leases copiers and land under operating leases. Future minimum lease payments required under the operating leases are as follows:

<u>Fiscal year ending June 30,</u>	<u>Total minimum lease payments</u>
2004	\$ 38,594
2005	23,288
2006	8,000
2007	8,000
2008	8,000
2009 - 2013	40,000
2014 - 2018	40,000
2019 - 2023	40,000
2024 - 2028	40,000
2029	2,000
	<u>\$ 247,882</u>

NOTE 14 - CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2003, the County implemented GASB Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999, GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, Omnibus, an amendment to GASB Statements No. 27 and 34, issued in June 2001 and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, issued in 2001. GASB 34 creates new basic financial statements for reporting on the County's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds, if applicable, are presented in total in one column.

The government-wide financial statements split the County's programs between business-type and governmental activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at June 30, 2002 caused by the conversion to the accrual basis of accounting.

Effective July 1, 2002, the County changed its policy for capitalizing fixed assets by raising the capitalization threshold to \$5,000. The County also has removed all items previously recorded with a value less than \$5,000 from fixed asset records and eliminated those items, and related accumulated depreciation, for reporting purposes.

(Continued)

NOTE 14 - CHANGES IN ACCOUNTING PRINCIPLES, Continued

Implementation of GASB 34 and 35 resulted in certain retroactive adjustments to beginning net assets. The transition from governmental fund balance to net assets of the governmental activities is presented as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Total fund balances and fund equity, June 30, 2002, as previously reported	<u>\$ 7,026,963</u>	<u>\$ 774,720</u>	<u>\$ 7,801,683</u>
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:			
Capital assets	10,950,996	-	10,950,996
Change in capitalization policy	(2,086,618)	-	(2,086,618)
Accumulated depreciation	(5,357,787)	-	(5,357,787)
Infrastructure	<u>5,611,616</u>	<u>-</u>	<u>5,611,616</u>
	<u>9,118,207</u>	<u>-</u>	<u>9,118,207</u>
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds			
Property taxes	<u>96,816</u>	<u>-</u>	<u>96,816</u>
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds			
General obligation bonds	(1,531,961)	-	(1,531,961)
Other liabilities	(422,984)	-	(422,984)
Accrued interest	(26,489)	-	(26,489)
Compensated absences	<u>(192,079)</u>	<u>-</u>	<u>(192,079)</u>
Total	<u>(2,173,513)</u>	<u>-</u>	<u>(2,173,513)</u>
Net assets, June 30, 2002, restated	<u>\$14,068,473</u>	<u>\$ 774,720</u>	<u>\$ 14,843,193</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2003

	Budget - original and final	Actual	Variance favorable (unfavorable)
REVENUES			
Taxes	\$ 3,634,430	3,599,362	\$ (35,068)
Licenses, permits and fees	396,300	532,243	135,943
Intergovernmental	1,649,286	1,555,277	(94,009)
Charges for services	24,700	23,820	(880)
Fines and forfeits	215,500	180,812	(34,688)
Interest	90,000	79,264	(10,736)
Miscellaneous	211,900	82,265	(129,635)
Total revenues	<u>6,222,116</u>	<u>6,053,043</u>	<u>(169,073)</u>
EXPENDITURES			
General government	503,057	386,926	116,131
Staff agencies	1,198,797	1,074,225	124,572
Finance agencies	534,462	521,681	12,781
Public safety	2,051,658	1,968,390	83,268
Public works	562,348	474,916	87,432
Health and social services	144,877	149,871	(4,994)
Building maintenance	235,747	186,094	49,653
Nondepartmental	1,370,643	1,266,000	104,643
Total expenditures	<u>6,601,589</u>	<u>6,028,103</u>	<u>573,486</u>
Excess (deficiency) of revenues over expenditures	<u>(379,473)</u>	<u>24,940</u>	<u>404,413</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	116,506	116,506
Operating transfers out	(100,626)	(187,785)	(87,159)
Total financing sources (uses)	<u>(100,626)</u>	<u>(71,279)</u>	<u>29,347</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(480,099)	(46,339)	433,760
FUND BALANCE, BEGINNING OF YEAR	<u>2,104,191</u>	<u>2,791,917</u>	<u>687,726</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,624,092</u>	<u>\$ 2,745,578</u>	<u>\$ 1,121,486</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2003

	Budget - original and final	Actual	Variance favorable (unfavorable)
GENERAL GOVERNMENT			
County council			
Personnel services	\$ 52,425	\$ 52,250	\$ 175
Operating expenses	188,217	82,239	105,978
Total county council	240,642	134,489	106,153
County administrator's office			
Personnel services	222,915	216,923	5,992
Operating expenses	39,500	35,514	3,986
Total county administrator's office	262,415	252,437	9,978
Total general government	503,057	386,926	116,131
STAFF AGENCIES			
Risk management			
Operating expenses	2,000	1,207	793
Clerk of court			
Personnel services	192,026	188,212	3,814
Operating expenses	94,750	63,516	31,234
Capital outlay	5,400	5,715	(315)
Total clerk of court	292,176	257,443	34,733
Circuit court			
Operating expenses	39,890	25,454	14,436
County archives			
Personnel services	24,281	25,069	(788)
Operating expenses	5,825	4,623	1,202
Total county archives	30,106	29,692	414
Coroner			
Personnel services	32,188	32,188	-
Operating expenses	23,450	12,969	10,481
Total coroner	55,638	45,157	10,481
Veterans' affairs			
Personnel services	54,194	54,088	106
Operating expenses	9,035	7,303	1,732
Total veterans' affairs	63,229	61,391	1,838

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2003

	Budget - original and final	Actual	Variance favorable (unfavorable)
STAFF AGENCIES, Continued			
County attorney			
Personnel services	18,033	17,942	91
Operating expenses	6,750	1,124	5,626
Total county attorney	24,783	19,066	5,717
Magistrate			
Personnel services	202,093	200,301	1,792
Operating expenses	36,300	22,002	14,298
Capital outlay	2,500	2,505	(5)
Total magistrate	240,893	224,808	16,085
Probate judge			
Personnel services	122,982	122,811	171
Operating expenses	23,025	16,364	6,661
Capital outlay	2,600	2,624	(24)
Total probate judge	148,607	141,799	6,808
Board of registration			
Personnel services	60,366	60,293	73
Operating expenses	18,585	19,803	(1,218)
Capital outlay	700	175	525
Total board of registration	79,651	80,271	(620)
Commission of election			
Operating expenses	8,875	8,154	721
Tri-county public defender			
Operating expenses	15,500	15,000	500
Planning commission			
Personnel services	133,349	129,283	4,066
Operating expenses	45,600	30,592	15,008
Capital outlay	5,000	4,086	914
Total planning commission	183,949	163,961	19,988
Circuit judge			
Operating expenses	6,000	822	5,178
Capital outlay	7,500	-	7,500
Total circuit judge	13,500	822	12,678
Total staff agencies	1,198,797	1,074,225	124,572

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2003

	Budget - original and final	Actual	Variance favorable (unfavorable)
FINANCE AGENCIES			
Tax assessor			
Personnel services	194,006	185,018	8,988
Operating expenses	23,100	24,917	(1,817)
Capital outlay	10,435	9,282	1,153
Total tax assessor	227,541	219,217	8,324
 Auditor			
Personnel services	77,716	77,622	94
Operating expenses	21,223	14,419	6,804
Capital outlay	3,877	3,377	500
Total auditor	102,816	95,418	7,398
 Treasurer			
Personnel services	85,949	85,590	359
Operating expenses	35,670	34,800	870
Capital outlay	1,500	341	1,159
Total treasurer	123,119	120,731	2,388
 Tax collector			
Personnel services	43,961	46,340	(2,379)
Operating expenses	37,025	39,975	(2,950)
Total tax collector	80,986	86,315	(5,329)
Total finance agencies	534,462	521,681	12,781
 PUBLIC SAFETY			
Sheriff's office			
Personnel services	854,916	863,708	(8,792)
Operating expenses	173,100	128,602	44,498
Capital outlay	139,000	106,159	32,841
Total sheriff's office	1,167,016	1,098,469	68,547
 E911 dispatch operator			
Personnel services	295,210	293,156	2,054
Operating expenses	19,000	15,952	3,048
Total E911 dispatch operator	314,210	309,108	5,102
 County jail			
Personnel services	344,727	320,361	24,366
Operating expenses	198,100	217,639	(19,539)
Total county jail	542,827	538,000	4,827

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2003

	Budget - original and final	Actual	Variance favorable (unfavorable)
PUBLIC SAFETY, Continued			
Emergency preparedness			
Personnel services	18,705	18,705	-
Operating expenses	5,900	4,108	1,792
Capital outlay	3,000	-	3,000
Total emergency preparedness	<u>27,605</u>	<u>22,813</u>	<u>4,792</u>
Total public safety	<u>2,051,658</u>	<u>1,968,390</u>	<u>83,268</u>
PUBLIC WORKS			
Maintenance of roads and bridges			
Personnel services	281,810	257,746	24,064
Operating expenses	96,600	68,485	28,115
Capital outlay	104,425	90,855	13,570
Total maintenance of roads and bridges	<u>482,835</u>	<u>417,086</u>	<u>65,749</u>
Maintenance garage			
Personnel services	60,563	42,459	18,104
Operating expenses	11,950	10,990	960
Capital outlay	3,000	-	3,000
Total maintenance garage	<u>75,513</u>	<u>53,449</u>	<u>22,064</u>
Fuel site			
Operating expenses	4,000	4,381	(381)
Total public works	<u>562,348</u>	<u>474,916</u>	<u>87,432</u>
HEALTH AND SOCIAL SERVICES			
Department of Social Services			
Operating expenses	1,425	1,060	365
Emerald Center Multi-County Board for Disabilities and Special Needs			
Operating expenses	20,000	20,000	-
Edgefield County Senior Citizens Council			
Operating expenses	19,000	19,000	-
Medical indigent			
Operating expenses	33,760	34,476	(716)
Alcohol and drug abuse			
Operating expenses	35,000	39,643	(4,643)

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2003

	Budget - original and final	Actual	Variance favorable (unfavorable)
HEALTH AND SOCIAL SERVICES, Continued			
County Health Department			
Operating expenses	<u>28,892</u>	<u>28,892</u>	<u>-</u>
Beckman Mental Health			
Operating expenses	<u>6,800</u>	<u>6,800</u>	<u>-</u>
Total health and social services	<u>144,877</u>	<u>149,871</u>	<u>(4,994)</u>
BUILDING MAINTENANCE			
Courthouse building			
Operating expenses	<u>52,574</u>	<u>45,804</u>	<u>6,770</u>
Mims building			
Operating expenses	<u>10,545</u>	<u>6,214</u>	<u>4,331</u>
Tax collector building			
Operating expenses	<u>2,300</u>	<u>1,465</u>	<u>835</u>
Department of Social Services building			
Operating expenses	<u>19,000</u>	<u>13,509</u>	<u>5,491</u>
Capital outlay	<u>500</u>	<u>-</u>	<u>500</u>
Total Department of Social Services building	<u>19,500</u>	<u>13,509</u>	<u>5,991</u>
Probate judge building			
Operating expenses	<u>8,800</u>	<u>8,173</u>	<u>627</u>
Capital outlay	<u>500</u>	<u>-</u>	<u>500</u>
Total probate judge building	<u>9,300</u>	<u>8,173</u>	<u>1,127</u>
Agriculture building			
Operating expenses	<u>13,150</u>	<u>10,629</u>	<u>2,521</u>
Health building			
Operating expenses	<u>11,200</u>	<u>2,108</u>	<u>9,092</u>
County government building			
Operating expenses	<u>7,802</u>	<u>4,961</u>	<u>2,841</u>
Capital outlay	<u>1,373</u>	<u>1,373</u>	<u>-</u>
Total county government building	<u>9,175</u>	<u>6,334</u>	<u>2,841</u>

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2003

	Budget - original and final	Actual	Variance favorable (unfavorable)
BUILDING MAINTENANCE, Continued			
Neighborhood center - Building and upkeep			
Operating expenses	5,550	5,382	168
Capital outlay	2,000	848	1,152
Total neighborhood center - Building and upkeep	7,550	6,230	1,320
Neighborhood center - Salary and utilities			
Personnel services	6,983	6,998	(15)
Operating expenses	23,000	21,349	1,651
Total neighborhood center - Salary and utilities	29,983	28,347	1,636
Sheriff's building			
Operating expenses	33,800	23,883	9,917
Capital outlay	800	-	800
Total sheriff's building	34,600	23,883	10,717
County jail building			
Operating expenses	27,550	30,458	(2,908)
Capital outlay	3,500	2,143	1,357
Total county jail building	31,050	32,601	(1,551)
Maintenance garage			
Operating expense	4,820	797	4,023
Total building maintenance	235,747	186,094	49,653
NONDEPARTMENTAL			
Economic Development Partnership	101,475	77,962	23,513
County Agent	41,906	41,906	-
Employment and Social Security Office	1,200	540	660
Soil and Water Conservation Office	4,550	4,550	-
Animal Control Shelter	124,937	96,137	28,800
Probation Office	3,100	1,754	1,346
Upper Savannah Council of Governments	17,217	17,217	-
Piedmont Technical Education Center	45,000	45,000	-
Professional services	201,075	190,923	10,152
Colliers Community Center	-	5,000	(5,000)
Burial of County poor	3,600	-	3,600
Insurance	569,500	541,525	27,975
County Transportation Commission	500	545	(45)
Johnston Armory	2,000	2,000	-
Edgefield Armory	2,000	1,860	140

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2003

	Budget - original and final	Actual	Variance favorable (unfavorable)
NONDEPARTMENTAL, Continued			
GLEAAMS Human Resources	5,000	-	5,000
ABBE Regional Library	150,783	150,764	19
County recreation	93,400	84,426	8,974
Youth Services	3,400	3,891	(491)
	<u>1,370,643</u>	<u>1,266,000</u>	<u>104,643</u>
Total nondepartmental	<u>1,370,643</u>	<u>1,266,000</u>	<u>104,643</u>
	<u>\$ 6,601,589</u>	<u>\$ 6,028,103</u>	<u>\$ 573,486</u>

**COUNTY OF EDGEFIELD,
SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003**

	Nonmajor Special Revenue Funds	Nonmajor Debt Services Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 1,262,371	\$ 85,835	\$ 1,348,206
Investments	289,600	-	289,600
Due from other funds	204,675	-	204,675
Property taxes receivable	2,452	7,357	9,809
Accounts receivable	121,781	-	121,781
Due from other governments	30,466	-	30,466
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,911,345</u>	<u>\$ 93,192</u>	<u>\$ 2,004,537</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 49,726	\$ -	\$ 49,726
Due to other funds	53,045	-	53,045
Deferred revenue - Property taxes	1,989	6,302	8,291
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>104,760</u>	<u>6,302</u>	<u>111,062</u>
Fund balances			
Reserved for:			
Debt service	-	86,890	86,890
Unreserved:			
Undesignated	1,806,585	-	1,806,585
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,806,585</u>	<u>86,890</u>	<u>1,893,475</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 1,911,345</u>	<u>\$ 93,192</u>	<u>\$ 2,004,537</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Services Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 52,660	\$ 146,152	\$ 198,812
Intergovernmental	269,343	28,070	297,413
Charges for services	1,141,968	-	1,141,968
Local funds	450,205	-	450,205
Interest	23,900	2,656	26,556
Total revenues	<u>1,938,076</u>	<u>176,878</u>	<u>2,114,954</u>
EXPENDITURES			
Debt service:			
Principal retirement	-	173,371	173,371
Interest and fiscal charges	-	108,295	108,295
Public works	594,627	-	594,627
Public safety	883,181	-	883,181
Health and social services	300,000	-	300,000
Miscellaneous expenditures	156,902	-	156,902
Total expenditures	<u>1,934,710</u>	<u>281,666</u>	<u>2,216,376</u>
Excess of revenues over (under) expenditures	<u>3,366</u>	<u>(104,788)</u>	<u>(101,422)</u>
Other financing sources (uses):			
Bond proceeds	300,000	-	300,000
Capital lease proceeds	234,526	-	234,526
Operating transfers in	183,828	-	183,828
Operating transfers out	(699,707)	-	(699,707)
Total other financing sources (uses)	<u>18,647</u>	<u>-</u>	<u>18,647</u>
Net change in fund balances	22,013	(104,788)	(82,775)
Fund balances, beginning of the year	<u>1,784,572</u>	<u>191,678</u>	<u>1,976,250</u>
Fund balances, end of the year	<u>\$ 1,806,585</u>	<u>\$ 86,890</u>	<u>\$ 1,893,475</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2003

	School Resource Officer I	School Resource Officer II	"C" funds	Industrial Development	Community Development Block Grants	Victim's Bill of Rights	SCCFG Grant
ASSETS							
Cash	\$ 9,109	\$ -	\$ 1,309,610	\$ 111,641	\$ 3,286	\$ 127,065	\$ 350
Investments	-	-	1,093,544	-	-	-	-
Property taxes receivable	-	-	-	2,452	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Interest receivable	-	-	3,643	-	-	-	-
Due from other funds	105	-	-	130,543	-	58,232	-
Due from other governments	191	282	70,156	-	-	-	10,075
	<u>191</u>	<u>282</u>	<u>70,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,075</u>
Total assets	<u>\$ 9,405</u>	<u>\$ 282</u>	<u>\$ 2,476,953</u>	<u>\$ 244,636</u>	<u>\$ 3,286</u>	<u>\$ 185,297</u>	<u>\$ 10,425</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	1,989	-	-	-
Due to other funds	8,675	282	-	-	-	-	10,075
	<u>8,675</u>	<u>282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,075</u>
Total liabilities	<u>8,675</u>	<u>282</u>	<u>-</u>	<u>1,989</u>	<u>-</u>	<u>-</u>	<u>10,075</u>
Fund balances							
Unreserved							
Undesignated	730	-	2,476,953	242,647	3,286	185,297	350
	<u>730</u>	<u>-</u>	<u>2,476,953</u>	<u>242,647</u>	<u>3,286</u>	<u>185,297</u>	<u>350</u>
Total liabilities and fund balances	<u>\$ 9,405</u>	<u>\$ 282</u>	<u>\$ 2,476,953</u>	<u>\$ 244,636</u>	<u>\$ 3,286</u>	<u>\$ 185,297</u>	<u>\$ 10,425</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2003

	County Tire Fund	911 Surcharge	User Fee Fund	Biddle Hall Fund	Road Fee Fund	Palmetto Leadership	Assistant Solicitor
ASSETS							
Cash	\$ 4,641	\$ 185,592	\$ 352,398	\$ 249,882	\$ 118,980	\$ 340	\$ -
Investments	-	99,900	189,700		-	-	-
Property taxes receivable	-	-	-	-	-	-	-
Accounts receivable	2,571	-	119,210	-	-	-	-
Interest receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	11,263
Total assets	<u>\$ 7,212</u>	<u>\$ 285,492</u>	<u>\$ 661,308</u>	<u>\$ 249,882</u>	<u>\$ 118,980</u>	<u>\$ 340</u>	<u>\$ 11,263</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ 27,982	\$ 527	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	11,263
Total liabilities	-	-	27,982	527	-	-	11,263
Fund balances							
Unreserved							
Undesignated	7,212	285,492	633,326	249,355	118,980	340	-
Total liabilities and fund balances	<u>\$ 7,212</u>	<u>\$ 285,492</u>	<u>\$ 661,308</u>	<u>\$ 249,882</u>	<u>\$ 118,980</u>	<u>\$ 340</u>	<u>\$ 11,263</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2003

	Solicitor	Burglar	Forestry	Criminal Domestic Violence	Total all funds	Less Major Fund	Total Nonmajor Funds
ASSETS							
Cash	\$ 55,947	\$ 4,930	\$ 38,210	\$ -	\$ 2,571,981	\$ 1,309,610	\$ 1,262,371
Investments	-	-	-	-	1,383,144	1,093,544	289,600
Property taxes receivable	-	-	-	-	2,452	-	2,452
Accounts receivable	-	-	-	-	121,781	-	121,781
Interest receivable	-	-	-	-	3,643	3,643	-
Due from other funds	15,795	-	-	-	204,675	-	204,675
Due from other governments	-	-	-	8,655	100,622	70,156	30,466
	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,655</u>	<u>100,622</u>	<u>70,156</u>	<u>30,466</u>
Total assets	<u>\$ 71,742</u>	<u>\$ 4,930</u>	<u>\$ 38,210</u>	<u>\$ 8,655</u>	<u>\$ 4,388,298</u>	<u>\$ 2,476,953</u>	<u>\$ 1,911,345</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 21,217	\$ -	\$ -	\$ -	\$ 49,726	\$ -	\$ 49,726
Deferred revenue	-	-	-	-	1,989	-	1,989
Due to other funds	17,359	-	-	5,391	53,045	-	53,045
	<u>17,359</u>	<u>-</u>	<u>-</u>	<u>5,391</u>	<u>53,045</u>	<u>-</u>	<u>53,045</u>
Total liabilities	<u>38,576</u>	<u>-</u>	<u>-</u>	<u>5,391</u>	<u>104,760</u>	<u>-</u>	<u>104,760</u>
Fund balances							
Unreserved							
Undesignated	33,166	4,930	38,210	3,264	4,283,538	2,476,953	1,806,585
	<u>33,166</u>	<u>4,930</u>	<u>38,210</u>	<u>3,264</u>	<u>4,283,538</u>	<u>2,476,953</u>	<u>1,806,585</u>
Total liabilities and fund balances	<u>\$ 71,742</u>	<u>\$ 4,930</u>	<u>\$ 38,210</u>	<u>\$ 8,655</u>	<u>\$ 4,388,298</u>	<u>\$ 2,476,953</u>	<u>\$ 1,911,345</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2003

	School Resource Officer I	School Resource Officer II	Local Law Enforcement Block Grant	"C" funds	Industrial Development	Community Development Block Grants
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 52,660	\$ -
Federal funds	-	-	12,592	-	-	5,000
State funds	-	-	-	935,387	2,652	-
Local funds	54,359	50,956	-	-	-	17,330
Charges for services	-	-	-	-	-	-
Interest	-	-	-	48,793	2,279	-
Total revenues	<u>54,359</u>	<u>50,956</u>	<u>12,592</u>	<u>984,180</u>	<u>57,591</u>	<u>22,330</u>
EXPENDITURES						
Public works	-	-	-	679,072	-	19,044
Public safety	54,792	51,877	13,991	-	-	-
Health and social services	-	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-	-
Total expenditures	<u>54,792</u>	<u>51,877</u>	<u>13,991</u>	<u>679,072</u>	<u>-</u>	<u>19,044</u>
Excess (deficiency) of revenues over expenditures	<u>(433)</u>	<u>(921)</u>	<u>(1,399)</u>	<u>305,108</u>	<u>57,591</u>	<u>3,286</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-
Transfers in	-	-	1,399	-	-	-
Transfers out	-	-	-	-	(78,590)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,399</u>	<u>-</u>	<u>(78,590)</u>	<u>-</u>
Net change in fund balances	(433)	(921)	-	305,108	(20,999)	3,286
FUND BALANCES, BEGINNING OF YEAR	<u>1,163</u>	<u>921</u>	<u>-</u>	<u>2,171,845</u>	<u>263,646</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,476,953</u>	<u>\$ 242,647</u>	<u>\$ 3,286</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2003

	Victim's Bill of Rights	SCCFG Grant	County Tire Fund	Adolescent Pregnancy Prevention	911 Surcharge	User Fee Fund
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal funds	-	-	-	-	-	-
State funds	-	17,474	10,106	-	127,779	-
Local funds	54,933	-	24,569	-	-	-
Charges for services	-	-	-	-	112,205	837,553
Interest	3,100	-	116	-	4,451	11,310
Total revenues	58,033	17,474	34,791	-	244,435	848,863
EXPENDITURES						
Public works	-	-	-	-	-	333,744
Public safety	58,261	45,843	-	-	345,088	-
Health and social services	-	-	-	-	-	-
Miscellaneous expenditures	-	-	28,363	55,087	-	-
Total expenditures	58,261	45,843	28,363	55,087	345,088	333,744
Excess (deficiency) of revenues over expenditures	(228)	(28,369)	6,428	(55,087)	(100,653)	515,119
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	164,526	-
Transfers in	-	26,000	-	-	-	-
Transfers out	(55,803)	-	-	-	-	(496,408)
Total other financing sources (uses)	(55,803)	26,000	-	-	164,526	(496,408)
Net change in fund balances	(56,031)	(2,369)	6,428	(55,087)	63,873	18,711
FUND BALANCES, BEGINNING OF YEAR	241,328	2,719	784	55,087	221,619	614,615
FUND BALANCES, END OF YEAR	\$ 185,297	\$ 350	\$ 7,212	-	\$ 285,492	\$ 633,326

COUNTY OF EDGEFIELD, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2003

	Biddle Hall Fund	Road Fee Fund	Palmetto Leadership	Assistant Solicitor	Solicitor	Burglar
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal funds	-	-	-	-	-	-
State funds	-	-	-	-	-	925
Local funds	-	-	-	83,102	164,956	-
Charges for services	-	192,210	-	-	-	-
Interest	-	2,644	-	-	-	-
Total revenues	-	194,854	-	83,102	164,956	925
EXPENDITURES						
Public works	-	241,839	-	-	-	-
Public safety	-	-	-	56,576	256,753	-
Health and social services	-	-	-	-	-	-
Miscellaneous expenditures	645	-	-	-	-	-
Total expenditures	645	241,839	-	56,576	256,753	-
Excess (deficiency) of revenues over expenditures	(645)	(46,985)	-	26,526	(91,797)	925
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Capital lease proceeds	-	70,000	-	-	-	-
Transfers in	-	-	-	-	134,963	-
Transfers out	-	-	-	-	(31,000)	-
Total other financing sources (uses)	-	70,000	-	-	103,963	-
Net change in fund balances	(645)	23,015	-	26,526	12,166	925
FUND BALANCES, BEGINNING OF YEAR	250,000	95,965	340	(26,526)	21,000	4,005
FUND BALANCES, END OF YEAR	\$ 249,355	\$ 118,980	\$ 340	\$ -	\$ 33,166	\$ 4,930

COUNTY OF EDGEFIELD, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2003

	Forestry	Criminal Domestic Violence	Hospital	Total all funds	Less Major Fund	Total Nonmajor Funds
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 52,660	\$ -	\$ 52,660
Federal funds	-	-	-	17,592	-	17,592
State funds	38,210	54,605	-	1,187,138	935,387	251,751
Local funds	-	-	-	450,205	-	450,205
Charges for services	-	-	-	1,141,968	-	1,141,968
Interest	-	-	-	72,693	48,793	23,900
Total revenues	<u>38,210</u>	<u>54,605</u>	<u>-</u>	<u>2,922,256</u>	<u>984,180</u>	<u>1,938,076</u>
EXPENDITURES						
Public works	-	-	-	1,273,699	679,072	594,627
Public safety	-	-	-	883,181	-	883,181
Health and social services	-	-	300,000	300,000	-	300,000
Miscellaneous expenditures	-	72,807	-	156,902	-	156,902
Total expenditures	<u>-</u>	<u>72,807</u>	<u>300,000</u>	<u>2,613,782</u>	<u>679,072</u>	<u>1,934,710</u>
Excess (deficiency) of revenues over expenditures	<u>38,210</u>	<u>(18,202)</u>	<u>(300,000)</u>	<u>308,474</u>	<u>305,108</u>	<u>3,366</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	300,000	300,000	-	300,000
Capital lease proceeds	-	-	-	234,526	-	234,526
Transfers in	-	21,466	-	183,828	-	183,828
Transfers out	(37,906)	-	-	(699,707)	-	(699,707)
Total other financing sources (uses)	<u>(37,906)</u>	<u>21,466</u>	<u>300,000</u>	<u>18,647</u>	<u>-</u>	<u>18,647</u>
Net change in fund balances	304	3,264	-	327,121	305,108	22,013
FUND BALANCES, BEGINNING OF YEAR	<u>37,906</u>	<u>-</u>	<u>-</u>	<u>3,956,417</u>	<u>2,171,845</u>	<u>1,784,572</u>
FUND BALANCES, END OF YEAR	<u>\$ 38,210</u>	<u>\$ 3,264</u>	<u>\$ -</u>	<u>\$ 4,283,538</u>	<u>\$ 2,476,953</u>	<u>\$ 1,806,585</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2003

	<u>Industrial Park Development</u>
ASSETS	
Cash	\$ 379,246
Total assets	\$ 379,246
LIABILITIES AND FUND BALANCES	
Liabilities	
Due to other funds	\$ 130,543
Total liabilities	<u>130,543</u>
Fund balances	
Unreserved - Designated for capital expenditures	<u>248,703</u>
Total liabilities and fund balances	\$ 379,246

COUNTY OF EDGEFIELD, SOUTH CAROLINA
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the year ended June 30, 2003

	Industrial Park Development Project
REVENUES	
State funds	\$ -
Federal funds	-
Total revenues	-
EXPENDITURES	
Capital outlay	2,598
Total expenditures	2,598
Excess (deficiency) of revenues over expenditures	(2,598)
OTHER FINANCING SOURCES	
Transfers in	164,350
Total financing sources	164,350
Net change in fund balance	161,752
FUND BALANCES, BEGINNING OF YEAR	86,951
FUND BALANCES, END OF YEAR	\$ 248,703

COUNTY OF EDGEFIELD, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2003

	Rural fire	Tax collector property sold fund	Judge of probate	Hospital operating fund	School operating fund	School bond fund	School building fund	Municipal tax collection fund
ASSETS								
Cash	\$ 76,563	\$ 44,274	\$ 102,647	\$ 132,512	\$ 248,851	\$ 382,054	\$ 29,702	\$ 20,714
Investments	-	-	-	-	134,000	205,700	-	-
Property taxes receivable	24,524	-	-	13,733	419,004	67,439	-	3,162
Due from other governments	-	-	-	-	-	-	-	-
Total assets	<u>\$ 101,087</u>	<u>\$ 44,274</u>	<u>\$ 102,647</u>	<u>\$ 146,245</u>	<u>\$ 801,855</u>	<u>\$ 655,193</u>	<u>\$ 29,702</u>	<u>\$ 23,876</u>
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	20,683	-	-	10,994	365,661	54,574	-	-
Due to other taxing districts and agencies	80,404	44,274	102,647	135,251	436,194	600,619	29,702	23,876
Total liabilities	<u>\$ 101,087</u>	<u>\$ 44,274</u>	<u>\$ 102,647</u>	<u>\$ 146,245</u>	<u>\$ 801,855</u>	<u>\$ 655,193</u>	<u>\$ 29,702</u>	<u>\$ 23,876</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2003

	Forfeitures- Justice	Mill Creek subdivision	Clerk of court fund	Local option sales tax- property tax fund	Vehicle registration fee fund	Ambulance Service	Total all funds
ASSETS							
Cash	\$ 17,202	\$ 4,857	\$ 107,752	\$ 184,811	\$ 2,547	\$ 157,126	\$ 1,511,612
Investments	-	-	-	474,240	-	-	813,940
Property taxes receivable	-	1,650	-	-	-	21,948	551,460
Due from other governments	-	-	-	185,749	-	-	185,749
	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,749</u>	<u>-</u>	<u>-</u>	<u>185,749</u>
Total assets	<u>\$ 17,202</u>	<u>\$ 6,507</u>	<u>\$ 107,752</u>	<u>\$ 844,800</u>	<u>\$ 2,547</u>	<u>\$ 179,074</u>	<u>\$ 3,062,761</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ 12,058	\$ 46,298	-	\$ -	\$ 58,356
Deferred revenue	-	-	-	-	-	17,999	469,911
Due to other taxing districts and agencies	17,202	6,507	95,694	798,502	2,547	161,075	2,534,494
	<u>17,202</u>	<u>6,507</u>	<u>95,694</u>	<u>798,502</u>	<u>2,547</u>	<u>161,075</u>	<u>2,534,494</u>
Total liabilities	<u>\$ 17,202</u>	<u>\$ 6,507</u>	<u>\$ 107,752</u>	<u>\$ 844,800</u>	<u>\$ 2,547</u>	<u>\$ 179,074</u>	<u>\$ 3,062,761</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
FINES AND ASSESSMENTS
For the year ended June 30, 2003

	<u>Clerk of Court</u>	<u>Magistrate</u>	<u>Municipal</u>
Fines collected	\$ 15,019	\$ 237,182	\$ -
Assessments from general sessions	16,895	240,727	-
Surcharges collected	<u>12,202</u>	<u>15,125</u>	<u>-</u>
 Total fines and assessments collected	 <u>\$ 44,116</u>	 <u>\$ 493,034</u>	 <u>\$ -</u>
 Fines retained by County Treasurer	 \$ 8,411	 \$ 237,182	 \$ -
Assessments retained by County Treasurer	<u>6,420</u>	<u>26,896</u>	<u>-</u>
 Total fines and assessments retained by County Treasurer	 <u>\$ 14,831</u>	 <u>\$ 264,078</u>	 <u>\$ -</u>
 Fines remitted to State Treasurer	 \$ 6,608	 \$ -	 \$ -
Assessments remitted to State Treasurer	10,475	213,831	-
Surcharges remitted to State Treasurer	<u>12,202</u>	<u>15,125</u>	<u>-</u>
 Total fines and assessments remitted to State Treasurer	 <u>\$ 29,285</u>	 <u>\$ 228,956</u>	 <u>\$ -</u>

Table 1

**COUNTY OF EDGEFIELD, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2003**

ASSESSED PROPERTY VALUATION		<u>\$ 57,692,578</u>
DEBT LIMIT - Eight percent of assessed value		\$ 4,615,406
DEBT APPLICABLE TO DEBT LIMIT		
Total bonded debt (excluding school bonds)	\$ 1,658,590	
Less debt service fund balance (excluding school bonds)	<u>86,890</u>	
Total debt applicable to debt limit		<u>1,571,700</u>
LEGAL DEBT MARGIN		<u>\$ 3,043,706</u>



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Edgefield County Council
County of Edgefield
Edgefield, South Carolina

We have audited the financial statements of the County of Edgefield as of and for the year ended June 30, 2003, and have issued our report thereon dated October 22, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County of Edgefield's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Edgefield's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to management of the County of Edgefield in a separate letter dated October 22, 2003.

This report is intended solely for the information and use of the audit committee, management, others within the organization and County Council and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink that reads "Elliott Davis, LLC". The signature is written in a cursive, slightly slanted style.

October 22, 2003